

Regular Session, 2009

SENATE BILL NO. 77

BY SENATOR MICHOT

TAX/SALES. Ends the "suspension" and makes retroactive from January 1, 1998, the sales tax exemption granted for on-premises, non-public sales of meals furnished to the staff and students of educational institutions; the staff and patients of hospitals and mental institutions; boarders of rooming houses; and occasional meals furnished in connection with or by educational, religious, or medical organizations. (gov sig)

AN ACT

To enact R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4), relative to sales tax exemptions; to provide that the sales tax exemption for sales of certain meals shall be applicable, operative, and effective from a certain date; to provide for retroactivity; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4) are hereby enacted to read as follows:

§302. Imposition of tax

* * *

R. * * *

(3) Notwithstanding any other provision of law to the contrary, including but not limited to contrary provisions of this Chapter, the exemption provided by R.S. 47:305(D)(2) shall be considered applicable, operative, and effective from January 1, 1998.

§321. Imposition of tax

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H. * * *

(3) Notwithstanding any other provision of law to the contrary, including but not limited to contrary provisions of this Chapter, the exemption provided by R.S. 47:305(D)(2) shall be considered applicable, operative, and effective from January 1, 1998.

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§331. Imposition of tax

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P. * * *

(4) Notwithstanding any other provision of law to the contrary, including but not limited to contrary provisions of this Chapter, the exemption provided by R.S. 47:305(D)(2) shall be considered applicable, operative, and effective from January 1, 1998.

Section 2. The secretary of the Department of Revenue is authorized to adopt and promulgate rules for the administration of the provisions of this Act.

Section 3. The provisions of this Act shall be retroactive; however, correctly computed taxes not paid under protest with suit filed for their recovery as required by law shall not be refunded.

Section 4. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law exempts the sales of meals furnished to the following if the meals are consumed on the premises where purchased:

- (1) The staff and students of educational institutions including kindergartens.
- (2) The staff and patients of hospitals.

- (3) The staff, inmates, and patients of mental institutions.
- (4) The boarders of rooming houses.
- (5) Occasional meals furnished in connection with or by educational, religious, or medical organizations.

However, if such sales of meals by the above in facilities are open to outsiders or to the general public, they are not exempt.

Present law "suspends" the exemption (i.e. makes it inapplicable, inoperative, and ineffective) temporarily until July 1, 2009, for 3 of the 4 cents of sales tax, but permanently for one of the four cents (the "permanent penny").

Proposed law will retroactively eliminate the suspension and make the exemption fully applicable, operative, and effective from January 1, 1998, for all four pennies of the state sales tax. However, prohibits refund of correctly computed taxes not paid under protest with suit filed for their recovery as required by law.

Proposed law specifically authorizes the secretary of the Department of Revenue to adopt rules for the administration of proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4))